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Outsourcing "Down Under"

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Better Vision



Libraries have for years happily outsourced many of their routine operations, but the recent controversy over outsourcing collection development in Hawaii has brought the topic into sharp focus, as if we have suddenly crossed some invisible line of appropriate and inappropriate practice. At the **1994 Charleston Conference** **Michael Gorman** sensibly warned us to be wary of words, like "outsourcing", which have come into common parlance as examples of the business jargon which continually corrupts our language. [Michael Gorman's paper was published in *ATG*, February, 1996, v.8#1, pp.1, [16-18.]

The authors and publishers of management textbooks bring out new editions, new con-

cepts, and new jargon every year, and it seems only yesterday that we were all involved in "total quality management" and "business process reengineering". So perhaps the current vogue for outsourcing has been created in part by publishers, and in part by managers who justify their high salaries and give the appearance of meaningful activity by constantly restructuring their organizations in line with the latest trend.

I have undertaken a brief survey among my New Zealand and Australian acquisitions colleagues to see how outsourcing has affected our operations, and if there is any noticeable trend developing here. My survey is limited to those who responded to the messages I placed on email lists in each country. However from the responses I received, and from articles and conference reports I have read, it is clear that U.S. librarians are a long way further along the outsourcing road than those of us on this side of the world. In New Zealand and Australia we outsource physical processing, cataloguing (most libraries purchase MARC records from the New Zealand or Australian Bibliographic Networks rather than have this done by vendors, because of our requirement to report holdings to these national databases), and on-off tasks like retrospective conversion of all or part of our library catalogues. Some libraries consolidate serials purchasing. Outsourcing selection in any major way, i.e. beyond the traditional standing order or approval plan for a minor part of the budget, is as yet an issue in only a few Australian libraries.

In New Zealand, as always, we trail along in the wake of worldwide trends, aping the practices of our colleagues overseas. However we sometimes overlook the fact that we are not only a very small part of the world, but are also a very long way from everywhere else, and should therefore be working out our own solutions. The population is so small, and the industrial/commercial structure so small in scale, that some services have never developed and are unlikely to develop, for example, library supply. Australia can count the number of real library suppliers on the fingers of one hand, and New Zealand has

none, except in certain specialist areas. As a country New Zealand is smaller than some of the Australian states, and does

not have the markets for many commodities and services that are taken for granted in the USA. For example, there is no one here in the business of cataloguing or physical processing, and libraries even have to run their own binderies.

We do however have what seems to be regarded as an internationally distinguished market-driven economy, with which the idea of outsourcing is very compatible. Government services are being forced to adopt commercial models in a quest for operational efficiency, and more tightly focused services are driven by customer demand. To some extent the campaign has been driven ideologically rather than rationally, and market-oriented/commercial models are imposed on public service organizations willy-nilly. In at least one major New Zealand public library, readers were told that the library was undertaking Business Process Re-engineering to improve the quality of service provided. When the materials budget is also cut, along with opening hours and staff numbers, librarians and library users feel a certain cynicism when they read such remarks. The driving force is of course cost reduction, and the increasing pressure to do more with less. Public service organizations are being reduced in size and scope, and self-sufficiency is being discarded as a management principle. Increasingly library funding agencies are coming under pressure to reduce library

budgets, because they themselves are receiving less from government or other sources.

In Australia some local government agencies have contracted out all library services, and this lead is now being followed in New Zealand by the Papakura District Council. **John Shipp**, Librarian at the **University of Wollongong**, has written that universities may also contract out library services, but there is as yet no evidence of this happening. A variation on the idea is "insourcing", and some larger libraries have shown interest in taking over technical service functions for smaller organizations, although I have yet to establish anywhere this is already being done.

The principal advantage of outsourcing is popularly seen to be savings in cost. Outsourcing cataloguing is generally regarded as being hugely advantageous, saving cataloguers the effort of repeating work already done elsewhere, and cutting costs considerably. Cataloguers seem now to have accepted the reduction in their numbers that has inevitably resulted. However, the Australian Bibliographic Network notes that cataloguing records from some commercial operators are of poor quality.

As far as physical processing is concerned, Australian librarians all report cost savings from outsourcing, but for some reason this is not always the case in New Zealand. Most librarians are happy with the quality. The major drawback appears to be an inability by vendors to follow particular instructions when non-standard procedures are requested, e.g. to cover only those books with dust jackets, or to use particular materials. Costs may increase when, for example, everything has to be covered rather than only those high use or attractive items which would be selected by staff in-house. When libraries do try for a selective processing service trouble follows, and one librarian reported that they were reviewing the use of library

"Outsourcing — a virus sweeping library management?"

suppliers as processors because they were unable to provide a consistent service. This library uses several vendors for this work, all claim to be able to meet the requirements, but in practice they make frequent errors and need to be constantly reminded of

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time that a masked record was in our catalog since we had kept the masked records in the system for those titles sent to the Bindery. We were still checking to see if those books had been returned, cataloged and processed without being unmasked six months after the experiment ended! And since the majority of records (78%) were CIP, they needed to be overlaid by the already upgraded OCLC MARC records, which does slow down the whole cataloging process.

Future Plans

We do plan to experiment with three shipments where Blackwell's supplies LC MARC with Books with CIP upgrading to determine how many titles still need editing by us. Perhaps a trained student worker supervised by a Library Technical Assistant would be able to match most of the titles

with their correct loaded record in such an efficient manner that it would offset the costs incurred by the Library for paying for some CIP upgraded records for titles not kept. And of course, once we get our new cataloging workstations, with OCLC's Passport for Windows as well as our online catalog's Windows version for cataloging, we may need to rethink our cataloging procedures and workflows for updating our OCLC holdings and generating spine labels. It certainly is possible that the additional costs of obtaining Blackwell's LC MARC with Books with CIP upgrading service may be offset by the increase in cataloging of other new materials and gifts that could be done by the Department's Library Technical Assistants, preventing the Library from accumulating any large backlogs of uncataloged materials. As always, there is still much to be explored and assessed when looking at outsourcing so that quality is not sacrificed for quantity. 🌿

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the annual parade of the best acquisitions people in the Western hemisphere -- perhaps in the whole World. The annual release of frustration and professional boost that come with the conference have saved my sanity more than once over the past [mumble] years and I will have to do a lot of meditation to make up for the loss of them this year." We'll miss you Connie! Next year!

Charles W. Bailey, Jr. (Assistant Dean for Systems, U. of Houston) <cbailey@uh.edu> sends work over PACS-L that Version 11 of the *Scholarly Electronic Publishing Bibliography* is now available. This selective bibliography presents over 600 articles, books, electronic documents, and other sources that are useful in understanding scholarly electronic publishing efforts on the Internet and other networks. Here are the

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their instructions. Still, it seems that libraries which are happy to have all material processed in a standard way are generally pleased with the results.

In most New Zealand and Australian university libraries academic staff play an active role in selection. Increasingly they have the option to mark records in a variety of databases and transmit them electronically to the library, and subsequently the vendor, but most still rely heavily on printed sources. Many academic libraries use slips approval plans extensively, but in New Zealand there are few books approval plans in operation. The University of Auckland has a small approval plan for selected contemporary German authors, but distance from suppliers and budget and currency fluctuations have made anything else seem too difficult to contemplate. At this university the academic staff have always taken a prominent role in selection, which has the advantage that they obtain the material they want for their teaching and research, and the Library has the benefit (without any cost) of subject experts in building the collection. There has, therefore, been no pressure to move

towards more approval plans. When the budget is tight, selection decisions become critical, and academic

staff and subject librarians rightly prefer to retain control of this process.

In the September, 1996, *ATG* [v.8#4, p.23] Judy Evans wrote about the major approval plan the **Australian National University Library** has set up with **Academic Book Center**. In addition the **Griffith University Library** has entered into a partnership agreement with **Blackwell's** to supply shelf-ready material from overseas. They are establishing a purchase plan, and hope eventually to obtain 60% of their material from a profile that will be so tight that checking before supply will become unnecessary. Other Australian librarians have told me that they too are moving towards a greater use of approval plans and shelf-ready supply from overseas vendors. In one case at least, this came as a direct result of staff reductions following cuts in government funding.

It is too soon to have an evaluation of the success of the selection plans in Australia. But the disadvantages of this kind of outsourcing may also be related to cost. Currency fluctuations of even a small amount can make a huge difference to libraries which spend around 80% of the budget overseas, and this can wreak havoc with approval plans. Another disadvantage is that using overseas vendors in outsourcing arrangements takes away jobs from local residents, and gives them to workers in another country. This is already widespread practice in New Zealand, where the dismantling of tariffs has led to manufacturing closures and the export of

jobs to cheap-labor Asian countries. The ideology has a strong grip here and is increasingly taking hold in Australia as well. These reasons may be unique to libraries outside the USA and UK, but we would share concerns about the loss of control and flexibility, the loss of local expertise, and dependency on the outsourcing vendor. John Perry Smith (*ATG*, v.8#4, September 96, p.25) noted that approval plans "inject a serum of banality into the major research collections of our country"). In *ACQNET* 7:18 Cliff Urr made the point that quality issues are

"Outsourcing selection ... is an issue in only a few Australian libraries."

as real in libraries as money issues, and that outsourcing centrally important library functions may save money, but will lessen the quality service the library provides.

Even in a small country like New Zealand, there are many ways of slicing the cake. Ideally libraries should be able to carefully evaluate the various options for outsourcing, rather than have decisions imposed upon them by budget cuts, and make their decisions based on the best possible service for their individual requirements. A colleague in Australia commented to me that outsourcing seems to be a virus sweeping library management; she expects that it will run its course and leave some things changed forever and others as they were. And by that time we will no doubt be well in the embrace of the next bright new concept. 🌿

